

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK**

KEITH MOULTON, Derivatively on Behalf of
Nominal Defendant CPI AEROSTRUCTURES,
INC.,

Plaintiff,

v.

DOUGLAS MCCROSSON, VINCENT
PALAZZOLO, TERRY STINSON, CAREY E.
BOND, JANET K. COOPER, MICHAEL
FABER, WALTER PAULICK, ERIC
ROSENFELD, and HARVEY J. BAZAAR,

Defendants,

and

CPI AEROSTRUCTURES, INC.,

Nominal Defendant.

Case No. 1:20-cv-02092-ENV-CLP

**STIPULATION AND [PROPOSED]
ORDER CONSOLIDATING
DERIVATIVE ACTIONS, APPOINTING
CO-LEAD COUNSEL, AND STAYING
CONSOLIDATED ACTIONS**

PAUL BERGER, Derivatively on Behalf of
Nominal Defendant CPI AEROSTRUCTURES,
INC.,

Plaintiff,

v.

DOUGLAS MCCROSSON, VINCENT
PALAZZOLO, TERRY STINSON, ERIC
ROSENFELD, JANET K. COOPER, CAREY E.
BOND, WALTER PAULICK, HARVEY J.
BAZAAR,

Defendants,

and

CPI AEROSTRUCTURES, INC.,

Nominal Defendant.

Case No. 2:20-cv-05454-ENV-CLP

WHEREAS, on May 7, 2020, Plaintiff Keith Moulton (“Moulton”) filed his verified shareholder derivative complaint (the “*Moulton* Action”) against defendants Douglas McCrosson, Vincent Palazzolo, Terry Stinson, Carey E. Bond, Janet K. Cooper, Michael Faber, Walter Paulick, Eric Rosenfeld, and Harvey J. Bazaar on behalf of CPI Aerostructures, Inc. (the “Company”) alleging breaches of fiduciary duty and contribution for violations of Section 10(b) of the Securities Exchange Act of 1934;

WHEREAS, Plaintiff Moulton filed an amended complaint on October 26, 2020 alleging substantially the same claims against the same defendants as his initial complaint;

WHEREAS, on November 10, 2020, Plaintiff Paul Berger filed a substantially similar action in this District against eight of the nine defendants named in the *Moulton* Action (the “*Berger* Action”) alleging breaches of fiduciary and unjust enrichment;

WHEREAS, on January 27, 2021, the Court entered an order temporarily staying the *Moulton* Action but providing that, among other things, the stay shall not apply to any stipulations pertaining to consolidation of related shareholder derivative actions and appointment of lead counsel (“the January 27 Order”);

WHEREAS, Plaintiffs agree that the *Moulton* and *Berger* Actions contain substantially similar factual and legal contentions and that the administration of justice would be best served by consolidating the Actions and appointing Co-Lead Counsel as set forth herein;

WHEREAS, without waiving any rights, arguments or defenses, Defendants agree that the Actions should be consolidated and take no position regarding appointment of Co-Lead Counsel;

WHEREAS, this stipulation is not a waiver of any of the parties’ rights, remedies, claims, or defenses and does not constitute a merger of the actions, or make a party in one action a party to the other;

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED, by the parties hereto, through their undersigned counsel, subject to the approval of the Court, as follows:

1. The Actions are hereby consolidated for all purposes, including pretrial proceedings, trial, and appeal, and are referred to herein as the “Consolidated Actions.”

2. The file in *Moulton v. McCrosson, et al.*, Case No. 1:20-cv-02092, shall constitute the Master File for every action in the Consolidated Actions. When the document being filed pertains to all actions, the phrase “This Documents Relates to All Actions” shall be placed on the cover page. When a pleading applies only to some, not all, of the actions, the document shall list on the cover page the phrase “This Document Relates To:”, the docket number for each individual action to which the document applies, along with the last name of the first-listed plaintiff in said action.

3. Every pleading filed in the Consolidated Actions, or in any separate action included herein, shall bear the following caption:

IN RE CPI AEROSTRUCTURES STOCKHOLDER DERIVATIVE LITIGATION
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Master File No. 1:20-cv-02092

4. Glancy Prongay & Murray LLP (“GPM”) and the Law Offices of Beth A. Keller, P.C. (“Keller Firm”) are designated Co-Lead Counsel for Plaintiffs in the Consolidated Actions. Plaintiffs believe that their counsel, GPM and the Keller Firm, are qualified to advocate for Plaintiffs. *See* Firm Résumés attached hereto as Exhibits A & B. Defendants take no position on the qualifications or appointment of lead counsel for Plaintiffs.

5. Co-Lead Counsel shall represent Plaintiffs in the prosecution of the Consolidated Actions, determine and present to the Court and opposing parties the position of Plaintiffs on all matters arising during pretrial negotiations, delegate and monitor the work performed by Plaintiffs’

attorneys to ensure that there is no duplication of effort or unnecessary expense, coordinate on behalf of the Plaintiffs the initiation and conduct of discovery proceedings, have the authority to negotiate matters with Defendants' counsel, and perform such other duties as may be incidental to the proper coordination of Plaintiffs' pretrial activities or authorized by further order of the Court. Defendants' counsel may rely on all agreements made with either of Co-Lead Counsel, or other duly authorized representative of Co-Lead Counsel, and such agreements shall be binding on all Plaintiffs.

6. This Joint Stipulation and Order shall apply to each action arising out of the same transactions and occurrences and asserting direct and/or derivative state law claims filed in this Court or transferred here, and Co-Lead Counsel shall assist the Court by calling to the attention of the Court the filing or transfer of any such action, and Co-Lead Counsel shall assure that counsel therein receive notice of this Stipulation and Order. Unless otherwise ordered, the terms of all orders, rulings, and decisions in the Consolidated Actions shall apply to all later shareholder derivative actions instituted herein.

7. The Consolidated Actions are hereby stayed, subject to the same terms contained in the January 27 Order.

8. The Parties reserve all rights, remedies, claims, arguments, and defenses.

Dated: March 19, 2021

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Dated: March 19, 2021

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Dated: March 19, 2021

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IT IS SO ORDERED THIS _____ DAY OF _____, 2021.

HONORABLE ERIC N. VITALIANO
UNITED STATES DISTRICT JUDGE